

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

April 27, 2007

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 00OD-532
OAHU

Amend Prior Board Action of July 14, 2000 (D-1), Rescind Prior Land Board Approval and Set Aside to Housing and Community Development Corporation of Hawaii for a Senior Project With Assisted Living and/or Healthcare Support Services and a Management Right-of-Entry, Kaakaukui, Oahu, Tax Map Key: (1) 2-1-51:portion of 9

BACKGROUND:

The Land Board at its July 14, 2000 meeting, under agenda item D-1, approved staff's recommendation to: (1) rescind the approval of November 20, 1992, Item F-7, (2) recommend to the Governor the issuance of a set aside to Housing and Community Development Corporation of Hawaii for senior project with assisted living and/or healthcare support services, (3) authorize a management right-of-entry to Housing and Community Development Corporation of Hawaii for the purpose of conducting the necessary environmental studies, testing, rezoning, consolidation and re-subdivision tasks, and (4) the cancellation of Revocable Permit No. S-6587. Over the years, due to its prime location, the former Pohukaina School lot has generated a lot of interest by various government agencies (DHHL, DOE, City, HCDA, HFDC) for a school, community park, parking lot, offices for library staff, police substation, affordable rental housing project, etc.

By memorandum dated March 12, 2007, Mr. Orlando Davison, Executive Director of Hawaii Housing Finance and Development Corporation (HHFDC) informed the Department that on March 8, 2007, the HHFDC Board of Directors approved the proposal submitted by Halekauwila Partners, LLC for the development and operation of a 196-unit affordable family rental housing project called Halekauwila Place. Halekauwila Place will include 3,500 square feet of commercial space and 1,500 square feet of community space which could accommodate a police substation, a recreation deck, and 274 parking stalls in a 5-story podium and an 18-story building. HHFDC proposes to issue a ground lease to the developer at \$1 per year for 65 years, plus additional lease rent of 20% of the lease rent of the developer's commercial tenant.

REMARKS:

The executive order document has not been finalized. HHFDC is still working on the subdivision and applicable entitlements.

The proposed lease is consistent with the purpose of the set aside.

Staff is recommending minor changes: (1) changing Applicant name from Housing and Community Development Corporation of Hawaii to Hawaii Housing Finance and Development Corporation, (2) changing the purpose of the set aside from senior project with assisted living and/or healthcare support services to Halekauwila Place affordable family rental housing project, and (3) consent to the lease between Hawaii Housing Finance and Development Corporation and Halekauwili Partners, LLC. These changes will allow HHFDC and Halekauwili Partners, LLC to proceed.

RECOMMENDATION:

That the Board amend its prior action of July 14, 2000, under agenda Item D-1, by:

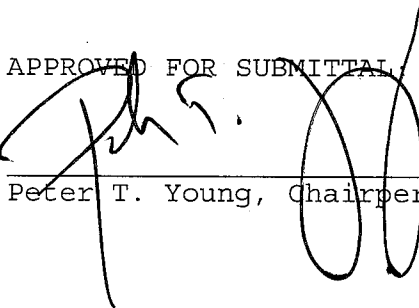
1. Change the Applicant from Housing and Community Development Corporation of Hawaii (HCDCH) to Hawaii Housing Finance and Development Corporation (HHFDC).
2. Change the purpose of the set aside from senior project with assisted living and/or healthcare support services to Halekauwila Place affordable family rental housing project.
3. Consent to the lease between Hawaii Housing Finance and Development Corporation and Halekauwili Partners, LLC.

Respectfully Submitted,



Charlene E. Unoki
Assistant Administrator

APPROVED FOR SUBMITTAL



Peter T. Young, Chairperson

58281

LINDA LINGLE
GOVERNOR



ORLANDO "DAN" DAVIDSON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

RECEIVED
07 MAR 16 10:20

EXECUTIVE ASSISTANT

IN REPLY REFER TO:

07:DEV/053

March 12, 2007

To: Peter T. Young, Chairman
Board of Land and Natural Resources

From: Orlando "Dan" Davidson
Executive Director

A handwritten signature in black ink, appearing to read "Dan Davidson", written over the name and title in the "From:" field.

Subject: Family Rental Housing Project
Pohukaina Site
Kakaako, Oahu, Hawaii
TMK: (1) 2-1-051: Por. 009
Area: 1.25 Acres

RECEIVED
LAND DIVISION
2007 MAR 16 P 3:18

On July 14, 2000, the Board of Land and Natural Resources (BLNR) approved a set aside of the above subject 1.25-acre site in Kakaako, Oahu, Hawaii, to the Housing and Community Development Corporation of Hawaii, predecessor agency to the Hawaii Housing Finance and Development Corporation (HHFDC), for a senior project with assisted living and/or healthcare support services under a ground lease to a developer.

On March 8, 2007, in response to a Request for Proposals issued by HHFDC, the HHFDC Board of Directors approved the proposal submitted by Halekauwila Partners, LLC, for the development and operation of a 196-unit affordable family rental housing project called Halekauwila Place for the project site, as described in the enclosed For Action.

Besides the 196 family rental units, Halekauwila Place includes 3,500 square feet of commercial space and 1,500 square feet of community space which could accommodate a police substation, a recreation deck, and 274 parking stalls in a 5-story podium and an 18-story building. The target market is 80% and below, to 140% and below the U.S. Department of Housing and Urban Development (HUD) median income.

Upon receipt of the set aside, HHFDC proposes to issue a ground lease to the developer at \$1/year for 65 years, plus additional lease rent of 20% of the lease rent of the developer's

EXHIBIT "A"

Peter T. Young, Chairman
March 12, 2007
Page 2

commercial tenant. A first draft (2/22/07) of the ground lease is enclosed for your review and comment.

To the extent not included or inconsistent with BLNR's approval dated July 14, 2000, we request approval of the above described Halekauwila Place affordable family rental housing project.

We will request for the set aside of the project site upon receipt of final subdivision approval.

Should there be any questions or comments regarding this matter, please contact Stan S. Fujimoto, Project Manager, at 587-0541.

Enclosures

EXHIBIT "A"

EXHIBIT "A"



Halekauwila Partners, LLC

Halekauwila Place

An Urban Residential Community

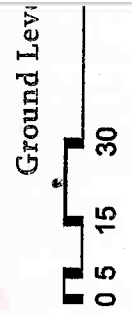
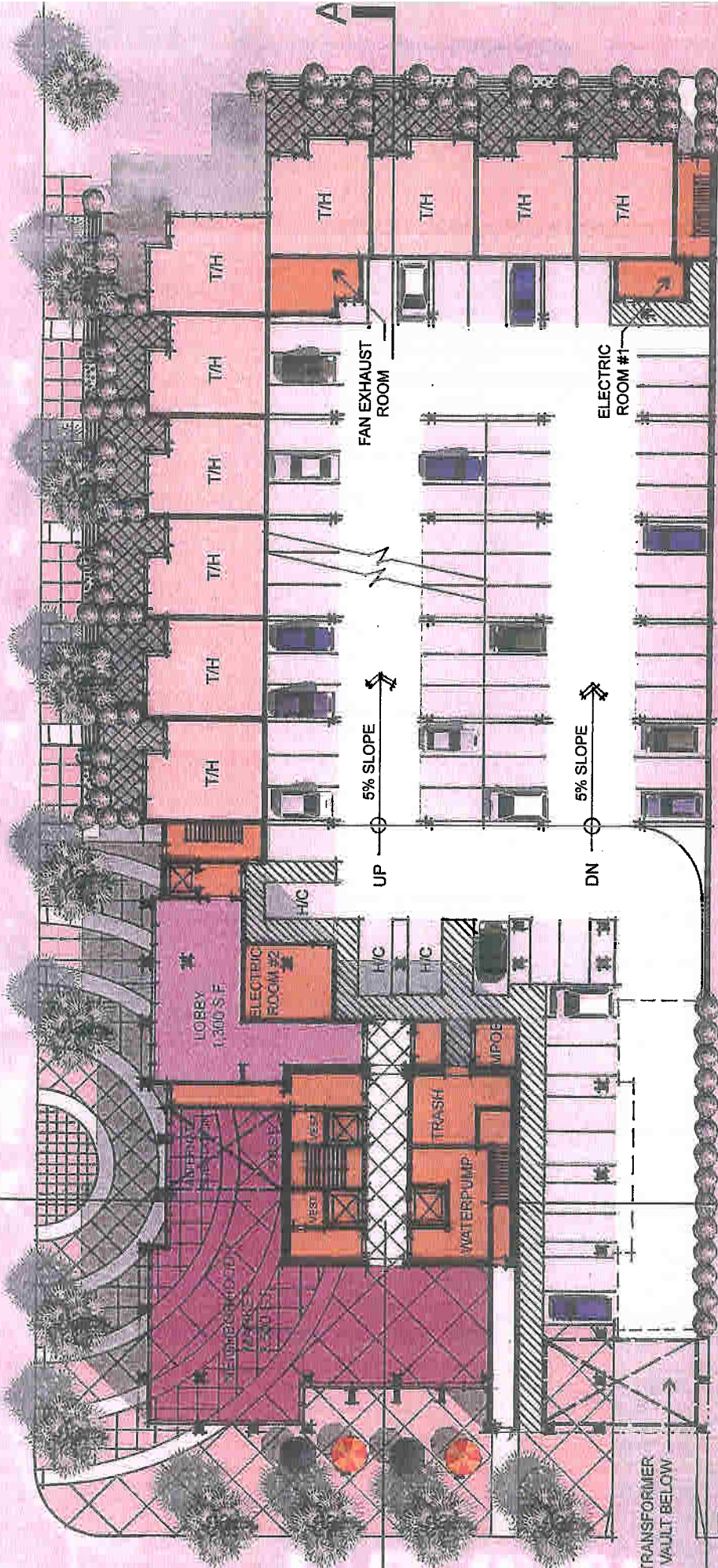
Keawe & Halekauwila View

Halekauwila St.

B

Keawe St.

A



Halekauwila Place

An Urban Residential Community

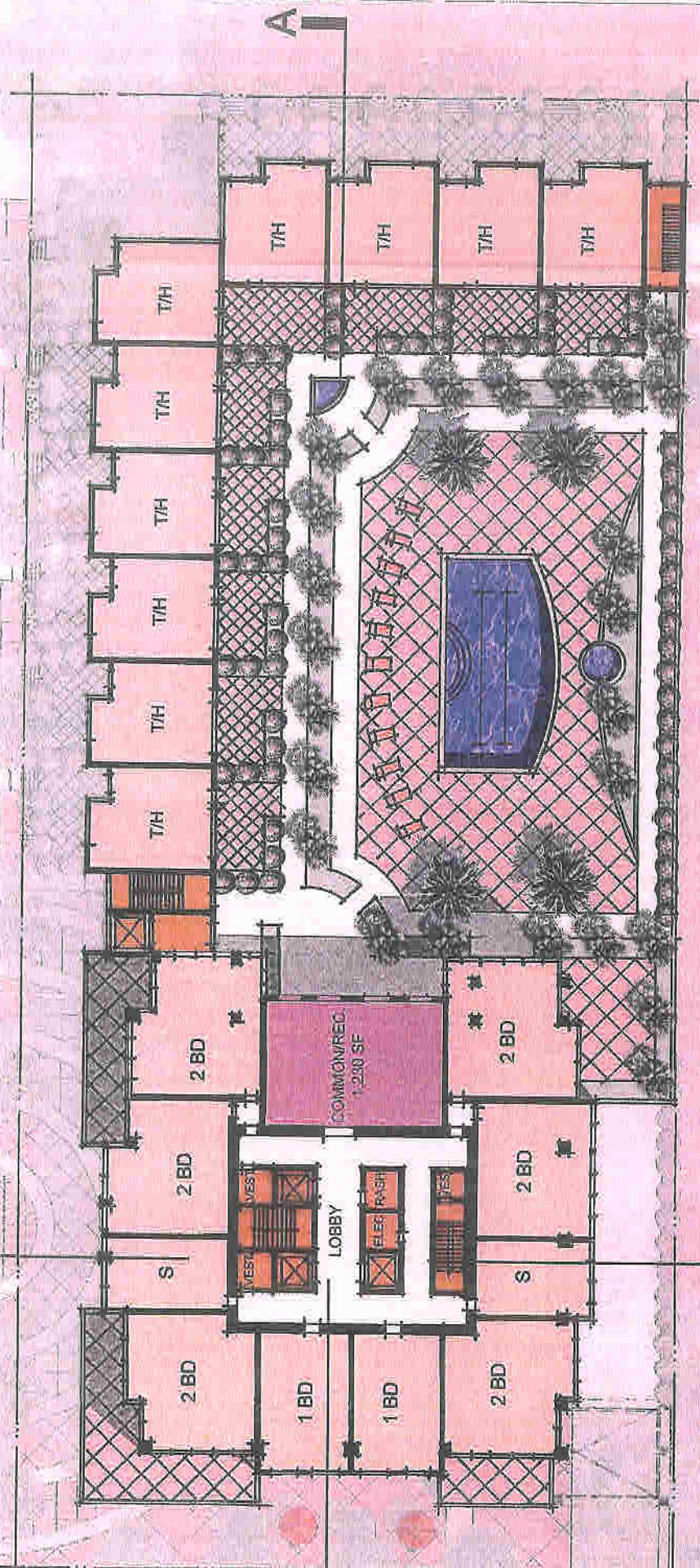
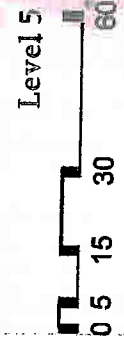
Halekauwila Partners, LLC

EXHIBIT

A

Halekauwila St.

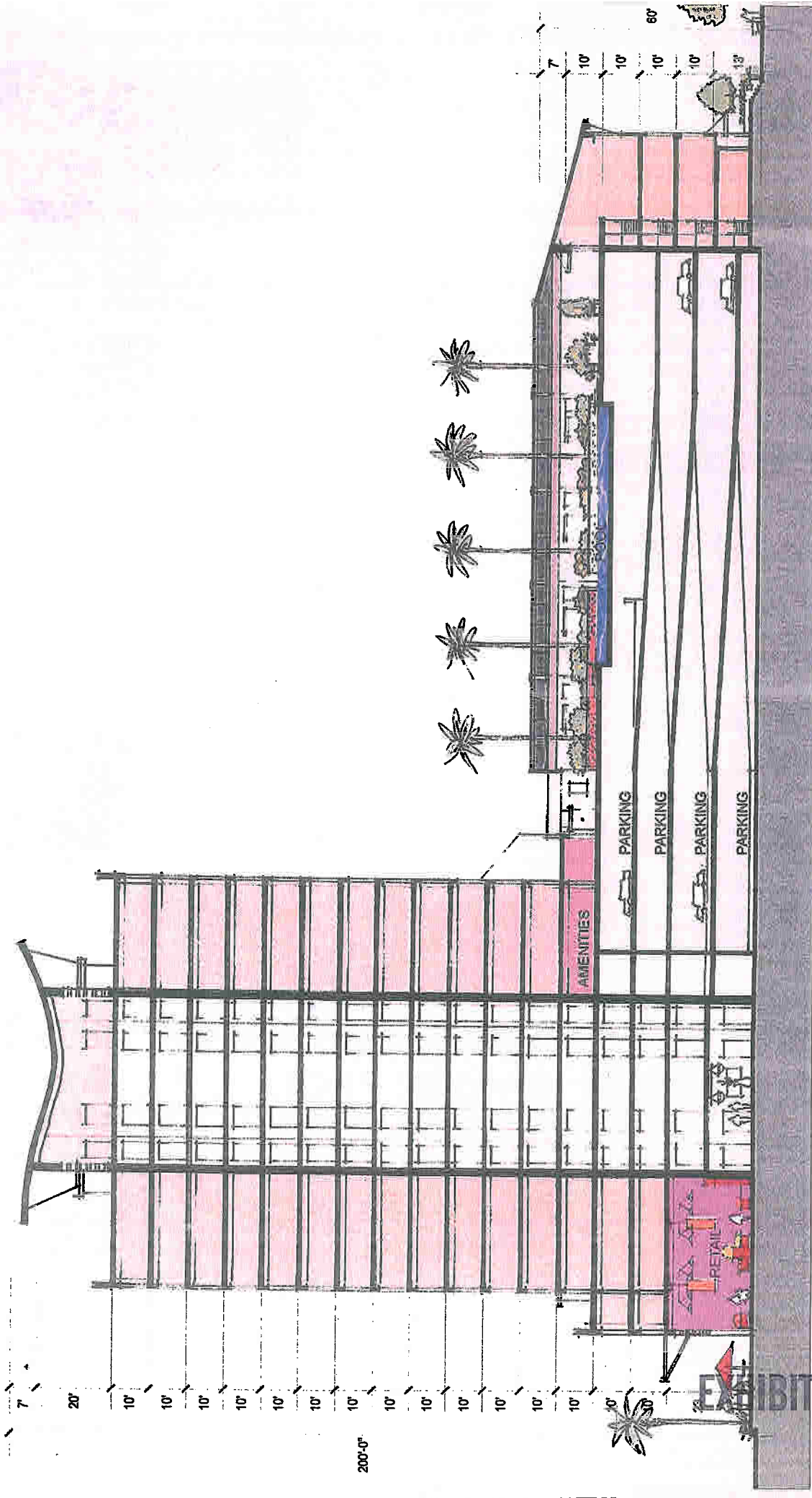
B



B

EXHIBIT "A"
 Halekauwila Partners, LLC

Halekauwila Place
 An Urban Residential Community



Halekauwila Partners, LLC

Halekauwila Place
An Urban Residential Community

Section A-A

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

July 14, 2000

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

OAHU

Rescind Prior Land Board Approval and Set Aside to Housing and Community Development Corporation of Hawaii for a Senior Project With Assisted Living and/or Healthcare Support Services and a Management Right-of-Entry, Kaakaukui, Oahu, Tax Map Key: (1) 2-1-51-portion of parcel 9

APPLICANT:

Housing and Community Development Corporation of Hawaii, whose mailing address is 677 Queen Street Suite 300, Honolulu, Hawaii 96813.

LEGAL REFERENCE:

Section 171-11, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands at Kaakaukui situated at Honolulu, Oahu, identified by Tax Map Key: (1) 2-1-51-portion of 9, as shown on the attached map labelled Exhibit A.

AREA:

54,600 square feet more or less.

ZONING:

State Land Use District:	Urban
City & County of Honolulu:	Kakaako Community Development District - Public

LAND TITLE STATUS:

Section 5(a) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution YES _____ NO X

APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON

July 14, 2000. *[Signature]*

EXHIBIT "B"

Item D-1

CURRENT USE STATUS:

Revocable Permit #S-6587 issued to Hawaii Community Development Authority (HCDA) for parking purposes.

PURPOSE OF SET ASIDE:

Senior project with assisted living and/or healthcare support services.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This action before the Board is merely a transfer of management jurisdiction to HCDCH and does not constitute a use of State lands or funds, and therefore, this action is exempt from the provisions of Chapter 343, HRS, relating to environmental impact statements. Inasmuch as the Chapter 343 environmental requirements apply to Applicant's use of the lands, the Applicant shall be responsible for compliance before the construction of buildings (improvements) or use of government funds. HCDCH will be solely responsible for all compliance with Chapter 343, Hawaii Revised Statutes.

APPLICANT REQUIREMENTS:

- 1) Provide survey maps and description according to State DAGS standards and at Applicant's own cost.

BACKGROUND:

The Land Board at its meeting of January 23, 1987, Item F-7, approved staff's recommendation for the issuance of a lease to the Department of Hawaiian Home Lands (DHHL) for administrative offices covering a portion of the former Pohukaina School lot. Additionally, the Land Board approved to recommend to the Governor the issuance of an executive order to the Department of Education (DOE) for library services and school purposes covering a portion of the Pohukaina School lot.

Subsequently, the Land Board at its meeting of November 20, 1992, Item F-7, approved and amended staff's recommendation to:

1. Rescind its prior approval of January 23, 1987, Item F-7.
2. Authorize the direct issuance of a lease to DHHL for an affordable rental housing project for a term of sixty-five (65) years, gratis annual rental, DHHL may provide preference to native Hawaiians of up to 50% of the rental units in the development, and other terms and conditions.
3. Consent to the immediate assignment of lease from DHHL to HCDA for the purpose of developing an affordable rental housing project.
4. Consent to the immediate assignment of lease from HCDA to

EXHIBIT "B"

Pohukaina Venture for the purpose of developing an affordable housing project.

5. Authorize an immediate right-of-entry to the Lessee and/or its assigned to conduct preliminary site work and secure construction approval from the appropriate authority.
6. Authorize the Chairperson to terminate all revocable permits, as required, on the subject property.
7. Should any of the aforementioned assignments not occur immediately after execution of the subject lease, this approval will be null and void. (See Exhibit B.)

The lease was never issued. Around 1993/1994, efforts between DHHL and HCDA to successfully build the affordable rental housing project petered out due to questions raised by the U.S. Department of Housing and Urban Development (HUD) concerning the legality of leasing to one ethnicity pursuant to the Fair Housing Act.

Around July 28, 1995, the HCDA Board formally terminated the option to lease with Pohukaina Developers.

The Land Board at its meeting of September 13, 1996, Item D-33, allowed staff to withdraw its submittal for a set aside to the Department of Education for educational support and related services covering approximately 152,845 square feet. Staff had not obtained concurrence from DHHL, HCDA and HFDC.

Letters from the Department were mailed to the three agencies requesting their concurrence for the set aside to the Department of Education. By memorandum dated September 27, 1996, HFDC had no objections. By memorandum dated November 6, 1996, HCDA had no objections. By memorandum dated December 4, 1996, DHHL objected to the set aside to the Department of Education citing the Land Boards intent in 1987 was to authorize use of this land for the construction of a new multi-agency service facility for use by DHHL, OHA and Alu Like, Inc. DHHL with other Hawaiian agencies can combine its resources to establish a facility.

By memorandum dated January 26, 2000, former Executive Director Donald Lau wrote to the Chairperson requesting approval from the Department to start the planning, development and operation of a senior/assisted living project on a portion of State land. (See Exhibit C.)

Subsequently, by letter dated February 16, 2000 to Chairman Raynard Soon, the Chairperson inquired if DHHL was still interested in leasing the State property and if not, can the Department consider HCDCH's request. There has been no response.

By memorandum dated April 3, 2000, Ms. Sharyn Miyashiro Executive Director for Housing and Community Development Corporation of Hawaii

EXHIBIT "B"

requested the set aside of approximately 54,600 square feet (1.253 acres) for a senior project with assisted living and/or healthcare support services. (See Exhibit D.)

At this time, HCDA is not interested in developing the State property. Revocable Permit #S-6587 accomplishes a short-term presence. HCDA manages a parking lot, offices for the Library Services personnel and an office trailer for the Honolulu Police Department. The Senior project will be impacting the area presently used for a parking lot. The revocable permit will be cancelled when HCDCH starts the construction phase. The remainder State property can be leased by HCDA or a government agency, if so desired.

There is no proposed higher use of the subject property. In April 2000, HCDCH has circulated a pre-consultation for preparation of an Environmental Assessment for Pohukaina Assisted Elderly Housing. Comments will be submitted and concerns will be addressed in the environmental assessment which is anticipated to be completed around October 2000.

At this time there are no pertinent issues or concerns.

Staff has no objections to the request.

RECOMMENDATION:

That the Board, subject to Applicant fulfilling the Applicant Requirements above:

1. Rescind Land Board approval of November 20, 1992, Item F-7.
2. Approve of and recommend to the Governor issuance of an executive order setting aside the subject lands to the Housing and Community Development Corporation of Hawaii under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
 - C. Review and approval by the Department of the Attorney General; and
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
3. Authorize the issuance of a management right-of-entry to the

EXHIBIT "B"

Housing and Community Development Corporation of Hawaii for the purpose of conducting the necessary environmental studies, testing, rezoning, consolidation and resubdivision tasks, subject to the following:

- A. The standard terms and conditions of the most current right-of-entry form, as may be amended from time to time;
 - B. The right-of-entry shall commence on the date of the Land Board approval and expire on the issuance date of the subject executive order; and
 - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interest of the State.
4. Revocable Permit #S-6587 shall be terminated when construction commences.

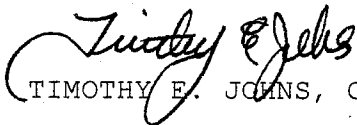
Respectfully Submitted,



Charlene E. Unoki
Supervising land agent



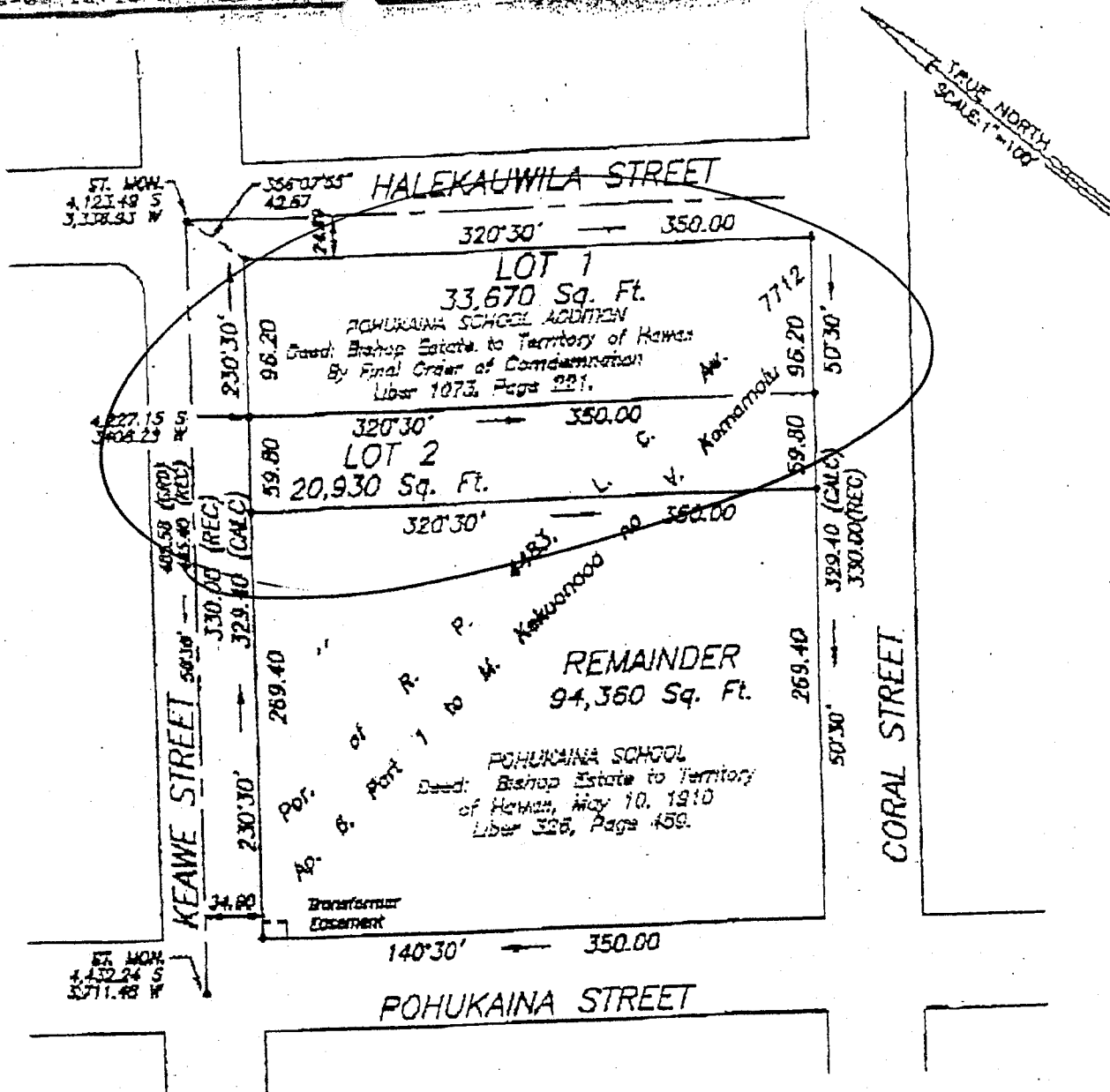
APPROVED FOR SUBMITTAL:



TIMOTHY E. JOHNS, Chairperson

EXHIBIT "B"

APR 05 09 13 18 FROM: [illegible]



MAP SHOWING POHUKAINA HOUSING SITE LOTS 1 AND 2

Being portion of R. P. 4483, L. C. Aw. 7712
Ap. 6, Part 1 to M. Kekuanooa no V. Kamamalu
at Kaakaukukui, Honolulu, Oahu, Hawaii

ADVANCE PRINT

DATE 3/31/00

Note:
Data compiled from:
CSF Map ZT, 480 and
C&C File No. 15-11-4-89
Coordinates referred to Puschbowl Δ.

Licensed Professional Land Surveyor
Certificate Number 3499-LS

March 29, 2000

Tax Map Key: 2-1-51.09
1.1 1.1 1.1 1.1

CONTROLPOINT SURVEYING, INC.
1045 WYMAN LANE

EXHIBIT ⁶⁶ B ⁷⁷

Exhibit A

JOHN D. WAIHEE III
~~XXXXXXXXXXXX~~
GOVERNOR OF HAWAII



STATE OF HAWAII

DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF LAND MANAGEMENT
P. O. BOX 621
HONOLULU, HAWAII 96809

DIVISIONS:
CONVEYANCES
FISH AND GAME
FORESTRY
LAND MANAGEMENT
STATE PARKS
WATER AND LAND DEVELOPMENT

January 23, 1987

Board of Land and
Natural Resources
Honolulu, Hawaii

Gentlemen:

RESUBMITTAL

OAHU

Subject: Direct Issuance of Lease to the Department of
Hawaiian Home Lands and Set Aside to the
Department of Education for Library Services

STATUTE: Chapter 171, Hawaii Revised Statutes

APPLICANTS: DEPARTMENT OF HAWAIIAN HOME LANDS and DEPARTMENT
OF EDUCATION

FOR: Pohukaina School Lot at Kakaako, Honolulu, Oahu,
comprising 119,175 sq. ft., being Parcel 9 of
Tax Map Key: 2-1-51, as shown on the map
labeled Land Board Exhibit "A" appended to the
basic file.

STATUS: Tax Map Key: 2-1-51:9, unencumbered, was
acquired by the Territory of Hawaii from Bernice
P. Bishop Estate on May 20, 1910 for the
consideration of \$9,200.00 for the Pohukaina
School lot.

CLASSIFICATION: Educational-institution

ZONING: State Land Use Commission: Urban
City & County of Honolulu: Industrial, I-1

PURPOSE: Department of Hawaiian Home Lands:
Administrative Offices
Department of Education: Library
Services/School purposes

REMARKS: The Department of Hawaiian Home Lands has
requested a lease covering Pohukaina School lot
for their administrative offices. The
Department is also in receipt of requests from
the Office of the Hawaiian Affairs (OHA) and Alu
Like to use the Pohukaina School lot for their
administrative offices.

AMENDMENTS:
SEE PAGE 3

AS AMENDED

APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
MEETING HELD ON

1/23/87

ITEM F-7

EXHIBIT "B"

Exhibit B

December 19, 1986

The Department of Hawaiian Home Lands, if it is successful in acquiring the lease, proposes to construct a new administrative facility on the school lot and, in turn, sublet office space within the facility to OHA and Alu Like.

The Department of Education informs us the Pohukaina School lot will not be required for school purposes until 10-15 years hence; however, presently, portions of the school lot and improvements thereon are being used for special educational programs and as a central storage and distribution site for books to the library and school system. In light of the foregoing, the Department of Education has recently requested formal set aside of the school lot by executive order for school purposes.

Due to the urgency on the part of the Department of Hawaiian Home Lands, OHA and Alu Like to secure a suitable and permanent site for their administrative offices and, in light of the fact that the Department of Education does not foresee the use of the school lot for school purposes until 10-15 years hence, the following is recommended.

At its meeting of December 19, 1986, the Board voted to defer action on the above matter to its January 23, 1987 meeting. The deferment was to provide the Department of Education additional time to evaluate its future needs for the school lot and to report its findings to the Board.

Furthermore, in light of testimony presented to the Board by Mr. Kamaki A. Kanahele, III, Administrator of the Office of Hawaiian Affairs (OHA), the above presentation should reflect that OHA has withdrawn its name and participation in the proposed lease to the Department of Hawaiian Home Lands because the new trustees for OHA have not reviewed and acted upon the matter.

RECOMMENDATION:

The Board:

- A. Approve of and recommend to the Governor issuance of an executive order placing the parcel of land outlined in red on Land Board Exhibit "A" under the management and jurisdiction of the Department of Education, Office of Library Services, for a centralized processing center. The exact dimensions of the areas to be determined by the Survey Division, Department of Accounting and General Services, same to be reviewed and approved by the Chairperson.

EXHIBIT "B"

Exhibit B

- B. Find that the area outlined in green on Land Board Exhibit "A" constitutes an economic unit in terms of the intended use.
- C. Authorize the direct issuance of lease to the Department of Hawaiian Home Lands covering the area outlined in green on Land Board Exhibit "A" for administrative office purposes subject to the following terms and conditions:
 - 1. The term shall be for 65 years. Commencement date to be determined by the Chairperson.
 - 2. Exact area of the lease premises to be determined by the Survey Division, Department of Accounting & General Services, same subject to review and approval by the Chairperson.

C.3 AMENDED AS FOLLOWS

a. The annual rental shall be at fair market value to commence either upon construction of the administrative building or 5-years from the date of commencement of the lease, whichever occurs first.

b. Lessee shall complete construction of the administrative building within 5-years from the date commencement of the lease.

c. The Dept. Land and Natural Resources shall reserve fair market rental for any portion of the lease premises leased by the lessee for commercial purposes.

← AMENDED

3. The annual rent shall be gratis, subject to the condition that the Department of Land and Natural Resources shall receive 6 per cent of the gross rent for all revenues earned through commercial activities by the Department of Hawaiian Home Lands on the lease premises or its sublessees.

4. All clearing, grading work and building construction shall be in full compliance with all laws, rules and regulations of the Federal, State and County governments applicable thereto in accordance with plans and specifications submitted by the lessee to and approved by the Chairperson prior to commencement of construction.

5. Lessee shall not sublease, subrent, assign or transfer this lease without the prior written approval of the Board.

6. Termination and cancellation clause for non-compliance with any terms and conditions of the lease or abandonment/non-use for a period of one (1) year.

7. Standard non-discrimination clause.

8. Standard general liability clause.

9. Mineral and water rights reservation.


10. Standard withdrawal clause.

C.6.
DELETED →

January 23, 1987

11. All improvements placed in or on the premises by the lessee shall be and remain the property of the lessee and may be removed or otherwise disposed of by the lessee at any time, or may be abandoned in place with the prior written approval of the lessor.
12. The lessee accepts the premises in an "as is" condition.
13. The lessee shall maintain the premises and its improvements in good condition and shall promptly make all repairs thereto which may be necessary for the operation and maintenance of the premises.
14. Upon termination of the lease and if desired by the lessor, the lessee at its own expense, shall remove any and all improvements installed or constructed and restore the premises to the same or as good condition satisfactory to the lessor.
15. Performance bond, liability and fire insurance policies are waived.
16. Other terms and conditions as may be prescribed by the Chairperson.

Respectfully submitted,


MIKE K. SHIMABUKURO
Acting Land Management Administrator

APPROVED FOR SUBMITTAL:


SUSUMU ONO, Chairperson

BENJAMIN J. CAYETANO
GOVERNOR



FEB 1 2000

DONALD K. W. LAU
EXECUTIVE DIRECTOR

SHARYN L. MIYASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX (808) 587-0560

00:DEV/0111

January 26, 2000

To: Timothy E. Johns, Chairman
Board of Land and Natural Resources

From: Donald K. W. Lau, Executive Director *for Sharyn Miyashiro*

Subject: Proposed Pohukaina Senior/Assisted Living Project
Former Pohukaina School Site
Kakaako, Oahu, Hawaii
TMK 2-1-51: por. 09

To provide opportunities for the increasing housing and healthcare requirements of Hawaii's aging population, the Housing and Community Development Corporation of Hawaii (HCDCH) requests authorization from the Department of Land and Natural Resources (DLNR) for the planning, development and operation of a senior/assisted living project with a continuum of care on land owned by the State of Hawaii at a portion of the former Pohukaina School site in Kakaako, Oahu, Hawaii, TMK 2-1-51: por. 09.

By year 2010, Hawaii's 60+ age group is projected to grow by 53%, or one in every five persons and the 85+ group will grow by 167%. The most rapid increase is expected between the years 2010 and 2030 when the baby boom generation reaches age 65. By 2020, Hawaii's 85+ age group is projected to increase by 242%, the second fastest growth rate in the nation, behind Nevada's 245% (Source: *Hawaii's Older Adults*, by State of Hawaii Executive Office of Aging).

To increase opportunities for this special need group, the State of Hawaii has a unique opportunity at one of its last available properties in urban Honolulu for the private development and operation of a senior/assisted living project through the request-for-proposals (RFP) process.

EXHIBIT "B"

Exhibit C

Timothy E. Johns, Chairman
January 26, 2000
Page 2

The proposed site is approximately 1.13 acres (49,296 square feet) at the corner of Halekauwila and Keawe Streets in Kakaako, Oahu, Hawaii. The land is owned by the State of Hawaii, and a portion of the site is ceded land. See enclosed sketch. The order of magnitude of the proposed project is 200 studio and 1-bedroom units (or 160 2- and 3-bedroom units), and 14 stories, as shown on the enclosed site plan and cross section of the project.

The issues which appear to require DLNR's approval and/or resolution include the following:

1. Transfer of title to HCDCH. Can the proposed site be transferred to HCDCH, and if so, under what conditions? In the alternative, what form of authorization can DLNR issue to HCDCH to enable HCDCH to proceed with the planning, RFP, development and operation of the proposed project?
2. Transfer of title to developer. If the selected developer is interested in acquiring the site in fee, can the site be transferred to the private developer, and if so, under what conditions?
3. Consent to undertake an Environmental Assessment (EA) and/or and Environmental Impact Statement (EIS). The proposed site is currently zoned Public Use under the Hawaii Community Development Authority's (HCDA) Mauka Area Rules, and in order to rezone the site, HCDA has indicated that an EA/EIS will be required. As landowner, DLNR's authorization is requested for HCDCH to undertake the EA/EIS process.
4. Consent to Phase 2 Environmental Site Assessment. HCDA completed a Phase I Environmental Site Assessment dated April 21, 1998 which concluded that the site may be contaminated from off-site sources across Halekauwila and Keawe Streets. We request your approval to undertake a Phase 2 Environmental Site Assessment to confirm or deny the existence of contamination from off-site sources by installing a few (about 4) borings in the approximate locations shown on the enclosed location map.

It is estimated that the depth of each boring will be approximately eight to ten feet to obtain soil and groundwater samples, and each boring location will be restored to original grade condition upon completion.
5. Consent to rezone the proposed site. The proposed site is currently zoned Public Use. It is estimated that a rezoning to Mixed Use Zone Residential Emphasis (MUZ-R) would be required to enable the development of the

EXHIBIT ⁴⁶ B ⁷⁷

Exhibit C

Timothy E. Johns, Chairman
January 26, 2000
Page 3

proposed project. As landowner, DLNR's authorization is requested for HCDCH to undertake the rezoning process.

6. Consent to consolidation and resubdivision. The proposed housing site will require subdivision as a separate parcel in accordance with the selected developer's project proposal, and as landowner, DLNR's authorization is requested for HCDCH or its designee to undertake the subdivision process with the City and County of Honolulu.

The State of Hawaii Administration is a proponent of this project and your favorable consideration of this request is appreciated.

Should there be any questions or comments regarding this matter, please contact Stan S. Fujimoto, Project Manager, at 587-0551.

Enclosures

- c: Ronald Lim, Special Assistant on Housing, w/enclosures
Jan S. Yokota, HCDA Executive Director, w/enclosures
Dean Y. Uchida, DLNR Land Administrator, w/enclosures

EXHIBIT "B"

Exhibit C

BENJAMIN J. CAYETANO
GOVERNOR



SHARYN L. MIYASHIRO
ACTING EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

677 QUEEN STREET, SUITE 300
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00:DEV/0766

April 3, 2000

To: Timothy E. Johns, Chairperson
Board of Land and Natural Resources

From: Sharyn L. Miyashiro *Sharyn Miyashiro*
Acting Executive Director

Subject: Request for Set Aside of Portion of Former Pohukaina School Site
Pohukaina Senior/Assisted Living Project
Kakaako, Oahu, Hawaii
TMK: 2-1-51: Portion of Parcel 09

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The Housing and Community Development Corporation of Hawaii (HCDCH) proposes to issue a Request for Proposals to private developers for the development and operation of a senior project with assisted living and/or healthcare support services on a portion of the former Pohukaina School site at the corner of Halekauwila and Keawe Streets in Kakaako, Oahu, Hawaii.

As approved by its Board of Directors on March 16, 2000, HCDCH hereby requests a set aside of 54,600 square feet of the former Pohukaina School site, TMK 2-1-51: por. 09, to HCDCH for a senior project with assisted living and/or healthcare support services, at the location described as Lots 1 and 2 in the enclosed advance print (3/31/00) legal description and as shown on the enclosed preliminary (3/31/00) survey map.

Should there be any questions or comments regarding this matter, please contact Stan S. Fujimoto, Project Manager, at 587-0551.

Enclosures

c: Jan S. Yokota, HCDA Executive Director, w/enclosures
Raynard C. Soon, DHHL Chairperson, w/enclosures
Brian Takahashi, AM Partners, Inc., w/enclosures
Dean Uchida, DLNR Land Administrator, w/enclosures

EXHIBIT "B"

Exhibit D

SESSION LAWS OF HAWAII

REPRESENTATIVE

EXHIBIT ⁴B

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ACT 86

ACT 86

H.B. NO. 2919

A Bill for an Act Relating to Planning and Community Development.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. In accordance with Section 9 of Article VII of the Constitution of the State of Hawaii and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that appropriations contained in this Act will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$1,000,000, or .039 per cent. The reasons for exceeding the general fund expenditure ceiling are that the appropriations made in this Act are necessary to serve the public interest and to meet the needs provided for by this Act.

SECTION 2. Section 3 of Act 355, Session Laws of Hawaii 1987, is amended to read as follows:

"SECTION 3. The area of the Kakaako Community development district which is within the Kakaako Waterfront Park Boundary on the Park Boundary Map in the Kakaako Waterfront Park Study, prepared by the Hawaii Community Development Authority in 1981, shall only be developed as a park. The Hawaii Community Development Authority may amend the park boundary; provided that: (1) the amended boundary is consistent with the Makai Area Plan of the Kakaako Community Development District adopted by the Hawaii Community Development Authority on February 7, 1990; (2) the park land area within the amended boundary shall be at least equal in size to the original park land area established by the Park Boundary Map in the aforementioned Kakaako Waterfront Park Study; (3) ocean frontage shall not be diminished and no park land makai of the proposed canal between Ilalo and Olomehane/Kelikoi Streets and Ewa of Ahui Street as designated in Figure 5 of the Makai Area Plan of the Kakaako Community Development District adopted by the Hawaii Community Development Authority on February 7, 1990 shall be effected by any such boundary amendment."

SECTION 3. Without regard to Chapter 171, the Legislature hereby conveys to the Hawaii Community Development Authority title to all fast and submerged lands owned by the State within that portion of the Kakaako Community Development District, as established by section 206E-32, bounded by Ala Moana Boulevard, inclusive, from its intersection with the Ewa boundary of Ala Moana Park also identified as the Ewa boundary of tax map key 2-3-37:01; the Ewa boundary of tax map key 2-3-37:01 from its intersection with Ala Moana Boulevard to the shoreline; west along the shoreline from its intersection with the property line representing the Ewa boundary of property identified by tax map key 2-3-37:01 to the southwestern tip of the Kewalo Peninsula; southwest from the southwestern tip of the Kewalo Peninsula across the Kewalo Channel to the southeastern tip of the Kakaako Peninsula; along the shoreline from the southeastern tip of the Kakaako Peninsula to the property line between Pier 2 and Pier 4; the property line between Pier 2 and Pier 4 from its intersection with the shoreline to Ala Moana Boulevard; and Ala Moana Boulevard, inclusive from its intersection with the property line between lands identified by Pier 2 and Pier 4 to the Ewa boundary of the Ala Moana Park. The area shall also include that parcel of land identified by tax map key 2-1-14:16, situated mauka

of Pier 6 and Pier 7 and makai Hawaiian Electric power plant. In order to effectuate ensure due and adequate satisfaction of any county or any department issued by the State or such

SECTION 4. Section 2 read as follows:

"§206E-32 District; es development district is established by King Street; Piikoi Street fr Boulevard; Ala Moana Bou intersection with the Ewa bound boundary of tax map key 2-3- from its intersection with the property identified by tax map and Pier 4; the property line b the shoreline to Ala Moana intersection with the property li Punchbowl Street; and Punch

The district shall also i Nimitz Highway beginning a Highway-Irwin Park boundar the Diamond Head boundary to the intersection of Piers 8 at the Diamond Head boundar Diamond Head termination o parcel of land identified by tax Pier 7 and makai of Nimitz Electric power plant and rela

SECTION 5. Chapter adding a new section to be a

"§206E- Development setback. (a) Notwithstanding a special management area an any lands within a community reviewed by the lead agency

(b) In the review of su following, as deemed approp

(1) Applicable count 26 for the review area, except that apply; and

(2) Part III of chapte of developments

(c) With the approva allowed without a special man as required by chapter 205A.

EXHIBIT

Exhibit D

of Pier 6 and Pier 7 and makai of Nimitz Highway, being the site for the existing Hawaiian Electric power plant and related facilities.

In order to effectuate the foregoing conveyance, the authority shall ensure due and adequate satisfaction of provisions for any covenant between the State or any county or any department or board thereof and the holders of bonds issued by the State or such county, department, or board, if any.

SECTION 4. Section 206E-32, Hawaii Revised Statutes, is amended to read as follows:

"§206E-32 District; established, boundaries. The Kakaako community development district is established. The district shall include that area bounded by King Street; Piikoi Street from its intersection with King Street to Ala Moana Boulevard; Ala Moana Boulevard, inclusive, from Piikoi Street to its intersection with the Ewa boundary of Ala Moana Park also identified as the Ewa boundary of tax map key 2-3-37:01; the Ewa boundary of tax map key 2-3-37:01 from its intersection with Ala Moana Boulevard to the shoreline; the shoreline from its intersection with the property line representing the Ewa boundary of property identified by tax map key 2-3-37:01 to the property line between Pier 2 and Pier 4; the property line between Pier 2 and Pier 4 from its intersection with the shoreline to Ala Moana Boulevard; Ala Moana Boulevard from its intersection with the property line between lands identified by Pier 2 and Pier 4 to Punchbowl Street; and Punchbowl Street to its intersection with King Street.

The district shall also include [all fast and submerged lands bounded by Nimitz Highway beginning at the Diamond Head termination of the Nimitz Highway-Irwin Park boundary along Nimitz Highway to its intersection with the Diamond Head boundary of Pier 4; along Pier 4; from the makai end of Pier 4 to the intersection of Piers 8 and 9; along Pier 8; from the mauka end of Pier 8 to the Diamond Head boundary of Irwin Park; continuing to the point of the Diamond Head termination of the Nimitz Highway-Irwin Park boundary.] that parcel of land identified by tax map key 2-1-14:16, situated mauka of Pier 6 and Pier 7 and makai of Nimitz Highway, being the site for the existing Hawaiian Electric power plant and related facilities."

SECTION 5. Chapter 206E, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§206E- Developments within special management areas and shoreline setback. (a) Notwithstanding chapter 205A, all requests for developments within a special management area and shoreline setback variances for developments on any lands within a community development district shall be submitted to and reviewed by the lead agency as defined in chapter 205A.

(b) In the review of such requests, the lead agency shall conform to the following as deemed appropriate:

- (1) Applicable county rules adopted in accordance with section 205A-26 for the review of developments within a special management area, except that paragraph (2)(C) of section 205A-26 shall not apply; and
- (2) Part III of chapter 205A and applicable county rules for the review of developments within the shoreline setback.

(c) With the approval of the lead agency, the developments may be allowed without a special management area permit or shoreline setback variance as required by chapter 205A."

EXHIBIT "B"

Exhibit D